



State of California—Health and Human Services Agency  
Department of Health Care Services



DATE: August 12, 2020

**PPL No. 20-033**

TO: Local Educational Agency (LEA),  
Local Educational Consortia (LEC), and  
Local Governmental Agency (LGA)

SUBJECT: NOTIFICATION OF REINSTATEMENT OF TARGETED CASE  
MANAGEMENT CLAIMING FOR THE LOCAL EDUCATIONAL AGENCY  
MEDI-CAL BILLING OPTION PROGRAM

This Policy and Procedure Letter (PPL) notifies stakeholders participating in the Local Educational Agency Medi-Cal Billing Option Program (LEA BOP) that Targeted Case Management (TCM) services will be reinstated as covered services effective July 1, 2020. As stated in PPL No.15-016, TCM claiming in LEA BOP was suspended effective June 30, 2015 until the Department of Health Care Services (DHCS) received federal approval of a new reimbursement methodology for LEA BOP TCM services. State Plan Amendment (SPA) 15-021, approved by the Centers for Medicare and Medicaid Services (CMS) on April 27, 2020, implemented a new reimbursement methodology for TCM services effective July 1, 2015. This PPL explains the new TCM reimbursement rate methodology and policies surrounding the reinstatement of TCM claiming for individuals with an Individualized Education Plan (IEP) or an Individualized Family Service Plan (IFSP) in the LEA BOP. Additionally, this PPL discusses the LEA BOP TCM Certification requirements and requirements for eligible LEA BOP TCM Providers.

### **Overview of New TCM Rate Methodology**

Prior to July 1, 2015, DHCS required LEA providers claiming TCM services to complete the *LEA Targeted Case Management Labor Survey*. This survey determined whether the LEA's TCM reimbursement rate would be characterized as low, medium, or high. This classification was based on the LEA's submitted labor costs. This reimbursement methodology sunset June 30, 2015.

Per SPA 15-021, TCM services provided on or after July 1, 2015, will be reimbursed at the lesser of the TCM provider's billed charges or a statewide interim rate, and subject to a cost reconciliation process. The interim rate will be based on the statewide incremental cost of school nurses (used as a proxy for TCM service providers) and billed in service units representing 15-minute increments. All LEAs will receive the same statewide interim rate for TCM services. On an annual basis, all interim payments will

be reconciled under a LEA-specific cost reconciliation process, including TCM services. The LEAs will complete an updated version of the Cost and Reimbursement Comparison Schedule (CRCS) for all LEA BOP covered services provided on or after July 1, 2015.

TCM services will continue to be billed using procedure code T1017 for students with TCM in their IEP or IFSP. LEAs must continue billing with practitioner modifiers, which designate the type of practitioner rendering the TCM service.

### **New TCM Qualified Rendering Practitioners**

SPA 15-021 added two new qualified rendering TCM service practitioners: Registered Associate Clinical Social Workers and Associate Marriage and Family Therapists. PPL No. 20-033 includes practitioner qualifications and billing requirements for these new service practitioners. For TCM billing, two new modifiers have been added to the claims processing system to identify the practitioner providing TCM services as follows:

<b>New Practitioner Modifier</b>	<b>New Qualified Rendering Practitioners</b>
HL	Associate Marriage and Family Therapist
HM	Registered Associate Clinical Social Worker

In addition to these two practitioners, allowable TCM practitioners prior to the TCM billing suspension will continue to be allowable including:

<b>Practitioner Modifier (if applicable)</b>	<b>Qualified Rendering Practitioners</b>
AH	Psychologist (licensed psychologist, licensed educational psychologist, credentialed school psychologist)
TD	Nurse (registered nurse, school nurse, public health nurse, certified nurse practitioner)
AJ	Social Worker (licensed social worker, credentialed school social worker)
HO	Program Specialist
TE	Licensed Vocational Nurse
(blank)	Counselor (licensed marriage and family therapist, credentialed school counselor)

### **Retroactive Claiming for TCM Services**

SPA 15-021's effective date is July 1, 2015. As a result, LEAs are eligible to submit retroactive claims for TCM services rendered on or after this date. To be eligible for LEA BOP TCM reimbursements on or after July 1, 2015, the following criteria must be met:

- TCM services were delivered in accordance with a student's IEP or IFSP (currently non-IEP and non-IFSP TCM services are not a claimable LEA BOP service).
- TCM services were provided by an allowable practitioner, including the two new TCM practitioners identified above.
- The practitioner met the requirements noted in the *Local Educational Agency Rendering Practitioner Qualifications* section of the LEA provider manual.
- The LEA can meet the documentation and records retention requirements described in the *Local Educational Agency (LEA): A Provider's Guide* section of the LEA provider manual.
- The LEA can ensure that the School-Based Medi-Cal Administrative Activities (SMAA) program was not charged for the TCM staff that will be billed under the LEA BOP for TCM services during the time period from July 1, 2015 to the current Random Moment Time Survey (RMTS) quarter. LEAs can ensure this by only claiming TCM for practitioners who were not previously included in Participant Pool 2 for each respective RMTS quarter between July 1, 2015 and the current quarter. If the practitioner was included in Participant Pool 2 during this time, the LEA cannot claim LEA BOP TCM reimbursement for that practitioner during the time they were on the Participant Pool 2 staff list.
- The LEA agrees to reconcile all TCM services billed on the revised CRCS for the state fiscal year in which the LEA received interim reimbursement. This process includes collecting cost information for all LEA BOP TCM staff that the LEA chooses to retroactively bill TCM services for between July 1, 2015 to June 30, 2020.

As of July 1, 2020, the RMTS combined cost allocation methodology for the LEA BOP and SMAA program will ensure no duplication of TCM reimbursement to LEAs.

### **LEA BOP TCM Certification**

As described in PPL No. 20-033 (RMTS Requirements), as of July 1, 2020, RMTS will capture the amount of time staff spend providing Medi-Cal services under both the SMAA and LEA BOP programs. RMTS is a common cost allocation methodology used to identify reimbursable costs for both programs. Thus, the RMTS process ensures that TCM moments are allocated to either the LEA BOP or SMAA program, but not both. As part of the RMTS process, effective for State Fiscal Year (SFY) 2020-21, DHCS will require LEAs to identify staff in RMTS Participant Pool 1 (Direct Service Providers) that will provide TCM services through the LEA BOP for each respective RMTS quarter. A TCM Certification Statement must be completed to identify direct medical service practitioners providing TCM services. TCM providers will be flagged in the RMTS system with a "-TCM" suffix on their name to assist central coding staff in coding TCM-

related moments. Staff who do not provide TCM services through the LEA BOP will not be added to the TCM Certification Statement and any allowable TCM-related moments will be coded to a SMAA related activity code.

Each quarter, LEAs are required to certify the accuracy of the staff list on the LEA's TCM Certification Statement for the upcoming RMTS quarter. This certification is necessary to ensure DHCS does not duplicate payment for TCM services provided under both school-based programs. See Attachment A for the TCM Certification Statement.

LEAs that submit TCM claims under the LEA BOP must maintain a signed TCM Certification Form for every quarter the LEA intends to bill for TCM services. Failure to submit the TCM Certification Form to either the LEC or LGA may result in the loss of TCM claiming through the LEA BOP. LEAs that bill for TCM services in the LEA BOP must include TCM costs on the CRCS.

### **LEA BOP TCM Providers**

Effective SFY 2020-21, LEA BOP TCM providers must be identified through the TCM Certification Form as part of the quarterly Time Survey Participant list certification process. As of July 1, 2020, LEAs shall only bill for LEA BOP TCM services provided by TSPs in Participant Pool 1 for each respective RMTS quarter. Individuals listed in Participant Pool 1 must meet the provider credential and license requirements necessary to provide and bill for direct medical services in LEA BOP. Participant Pool 1 practitioners should be routinely providing direct medical services to students (e.g., their primary job function is to render medical services). This does not include teachers as eligible direct service practitioners.

If you have questions concerning this PPL, please contact DHCS by e-mail at [LEA@dhcs.ca.gov](mailto:LEA@dhcs.ca.gov).

Sincerely,

**ORIGINAL SIGNED BY RICK RECORD**

Rick Record, Chief  
Local Educational Agency Medi-Cal Billing Option Program

Attachment:

Attachment A